

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7571

BILL NUMBER: HB 1484

NOTE PREPARED: Feb 17, 2005

BILL AMENDED: Feb 14, 2005

SUBJECT: Charter School Facility Funding.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill allows the Common School Fund interest balance to be used for charter school facility financing.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) *Summary:* The Department of Education would be required to use the interest balance of the Common School Fund (CSF) to provide state matching funds of federal funds that may be received by charter schools for facility financing. The CSF interest balance at the close of FY 2004 was \$16.9 M. Currently, at the end of the state fiscal year, interest earnings on the CSF reverts to the state General Fund. Under the bill, any amount of CSF interest used for charter school facility matching funds would reduce the balance of the state General Fund.

The Department would be required to adopt guidelines to implement the provisions of the bill. The Department would likely be able to adopt guidelines within existing resources.

Background: The Common School Fund, under current law, may be used to:

- (A) assist school corporations in school building and technology program funding via loans,
- (B) provide aid to school corporations from disasters, and
- (C) make advances to school corporations for anticipated transfer tuition costs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) Under the bill, charter schools could receive interest from the Common School Fund to finance facilities. (See: *Explanation of State Expenditures.*)

State Agencies Affected: Department of Education; State Board of Education; Treasurer of State.

Local Agencies Affected: Charter schools.

Information Sources: Mike Frick, Treasurer of State's office, 232-6260.

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